

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 3
(MC2012-15)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-22

**USPS NOTICE OF CHANGE IN PRICES PURSUANT TO AMENDMENT TO
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 3**
(March 9, 2018)

The Postal Service hereby provides notice that prices under Parcel Select and Parcel Return Service Contract 3, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select and Parcel Return Service Contract 3 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

The supporting financial documentation and a certified statement, as required by 39 C.F.R. § 3015.5, are also included with this filing. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

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Washington, D.C. 20260-1137
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March 9, 2018

ATTACHMENT A

AMENDMENT TO PS-PRS CONTRACT 3

AMENDMENT 4 OF 4
TO
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND

REGARDING
PARCEL SELECT AND PARCEL RETURN SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Parcel Select Service and Parcel Return Service on April 25, 2012, as amended by Amendment 1 on October 14, 2014, Amendment 2 on June 18, 2015 and Amendment 3 on September 13, 2016 (the "Contract"); and

WHEREAS, the Parties desire to amend the terms of the contract in Sections I.B, I.D.5, including Tables 1a, 1b and 1c, and add Attachment C.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. All other sections, provisions and exhibits contained in the Contract shall remain unchanged and in effect pursuant to Section 3 of the Contract. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.D.5, including Tables 1a, 1b and 1c in their entirety, as follows, and add new Attachment C to the Contract]

I. Terms

B. This Contract applies to Customer's Standard DDU pieces and Alternate DDU pieces (collectively, "DDU pieces"), Customer's DSCF [REDACTED] and [REDACTED] pieces (collectively, "DSCF pieces"), Customer's Standard RDU pieces and Alternate RDU pieces (collectively, "RDU pieces"), and Customer's Standard RSCF pieces and Alternate RSCF pieces (collectively, "RSCF pieces"), as defined below:

1. Customer's Parcel Select pound rated DDU pieces [REDACTED], are not addressed to any ZIP Code in Attachment A, and are not shipped under an account listed in Attachment C ("Standard DDU pieces").
2. Customer's Parcel Select pound rated DSCF 3-Digit machineable pieces [REDACTED] are not addressed to any ZIP

- Code in Attachment A, and are not shipped under an account listed in Attachment C ("DSCF [REDACTED] pieces").
3. Customer's Parcel Select pound rated DSCF 3-Digit machineable pieces [REDACTED] are addressed to any ZIP Code in Attachment A, and are not shipped under an account listed in Attachment C ("DSCF [REDACTED] pieces").
 4. Customer's Parcel Return Service RDU pieces [REDACTED] and are not shipped under an account listed in Attachment C ("Standard RDU pieces").
 5. Customer's Parcel Return Service RSCF pieces [REDACTED] and are not shipped under an account listed in Attachment C ("Standard RSCF pieces").
 6. Customer's Parcel Select pound rated DDU pieces [REDACTED] are not addressed to any ZIP Code in Attachment A, and are shipped under an account listed in Attachment C ("Alternate DDU pieces").
 7. Customer's Parcel Return Service RDU pieces [REDACTED] and are shipped under an account listed in Attachment C ("Alternate RDU pieces").
 8. Customer's Parcel Return Service RSCF pieces [REDACTED] and are shipped under an account listed in Attachment C ("Alternate RSCF pieces").

Any DDU pieces addressed to any ZIP Code in Attachment A; and (2) any pieces mailed as Parcel Select Lightweight packages, do not qualify for Contract Pricing under this Contract. All pieces eligible for Contract Pricing under this Contract shall collectively be known as "Contract Packages." The ZIP Codes contained in Attachment A to the Contract will remain in effect for the term of the Contract, unless mutually modified by the Parties during the Business Reviews (Section I.G). The ZIP Codes contained in Attachment B to this Amendment, as more particularly described in Section II, will remain in effect for the term of the Contract, unless the Postal Service provides thirty (30) days' notice to Customer of a change to the address of a DSCF location shown on Attachment B. The list of accounts in Attachment C may be modified at any time through mutual agreement of the Parties.

D. Price Calculation

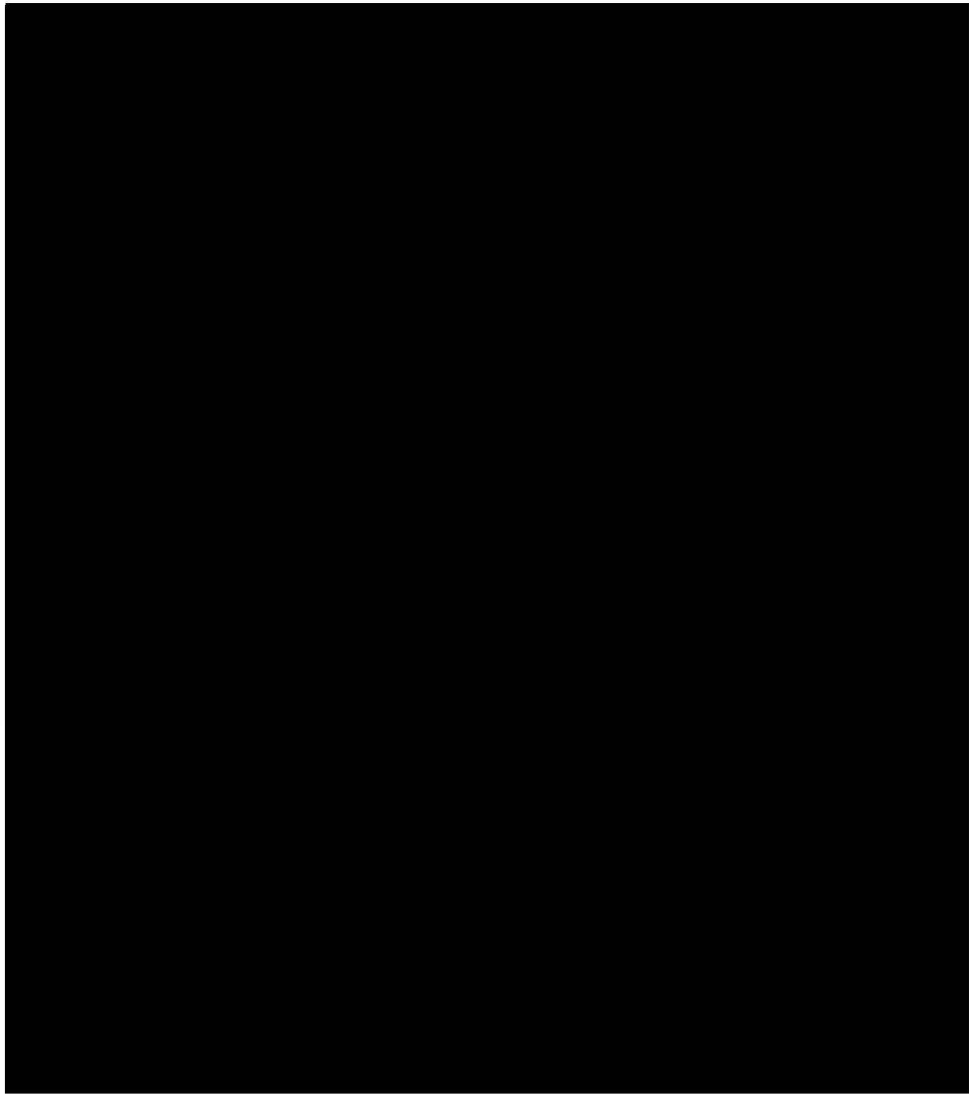
5. Beginning on the Effective Date of this Amendment, the rates in Tables 1a, 1b and 1c below shall apply to Customer's DDU, DSCF [REDACTED], DSCF [REDACTED], RDU and RSCF pieces.

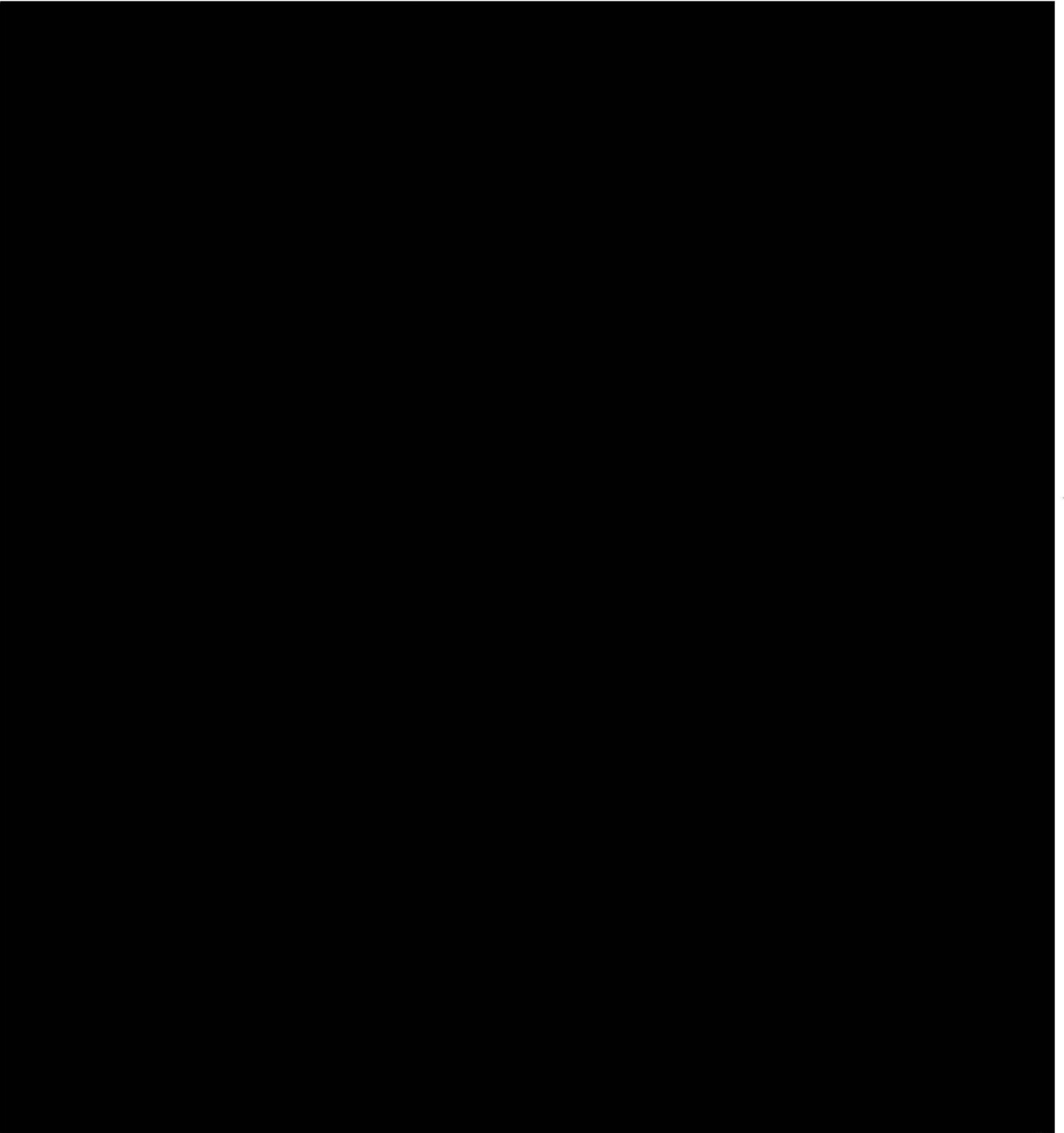
Customer shall receive prices pursuant to Table 1a below for DDU, DSCF [REDACTED] and DSCF [REDACTED] pieces from the effective date of

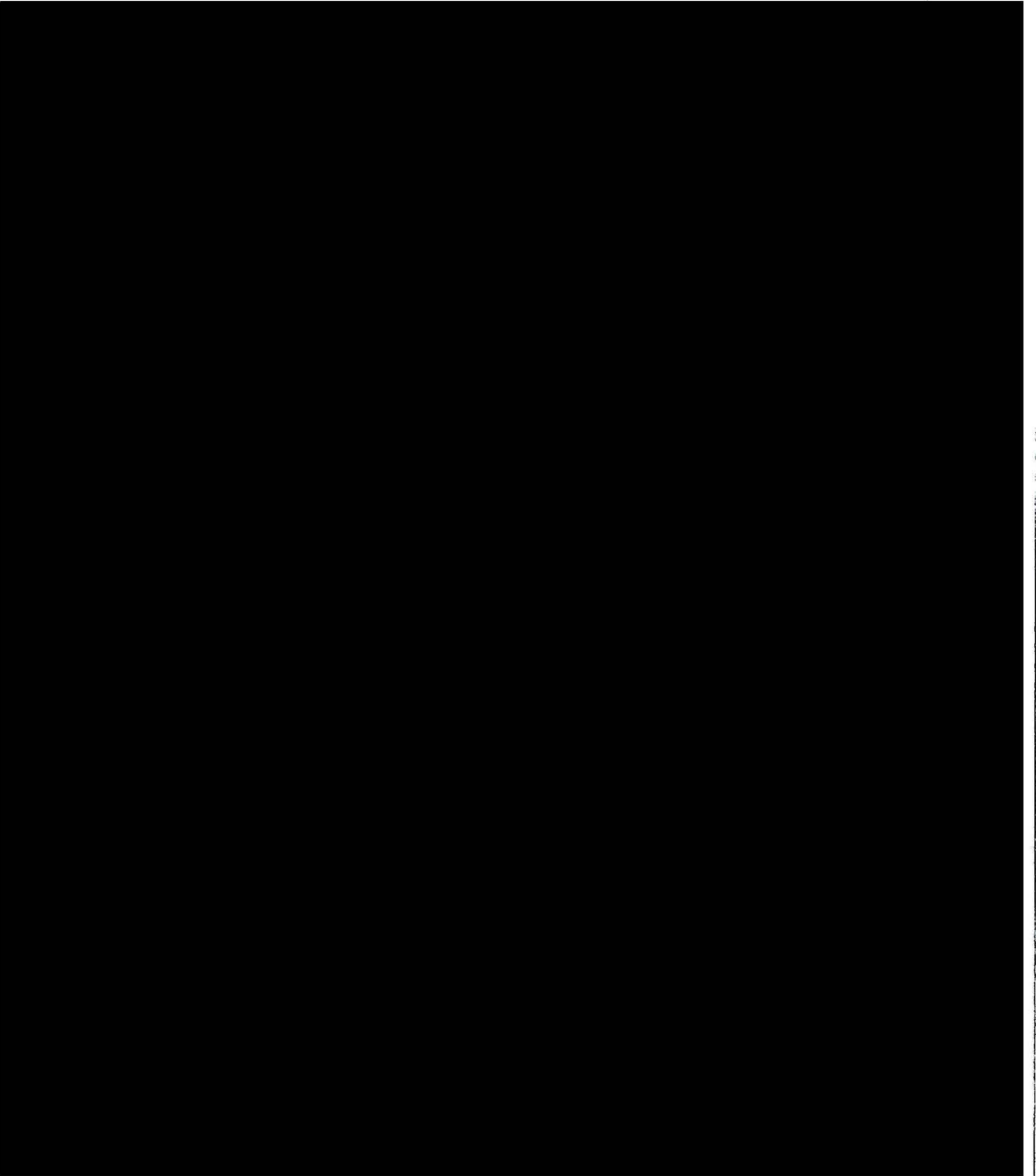
this Amendment until June 1, 2018. Customer shall also receive Tier 2 prices, pursuant to Tables 1b and 1c below for Standard RDU and Standard RSCF pieces, from the effective date of this Amendment until March 1, 2018. Also, beginning on the effective date of this Amendment and for the duration of the Contract, Customer shall receive Tier 6 prices for accounts listed in Attachment C, pursuant to Tables 1b and 1c below, and subject to annual adjustment pursuant to Section I.E, for Alternate RDU and Alternate RSCF pieces provided, however, that the annual increase for the Customer's Alternate DDU pieces, Alternate RDU pieces and Alternate RSCF pieces shall not exceed [REDACTED]

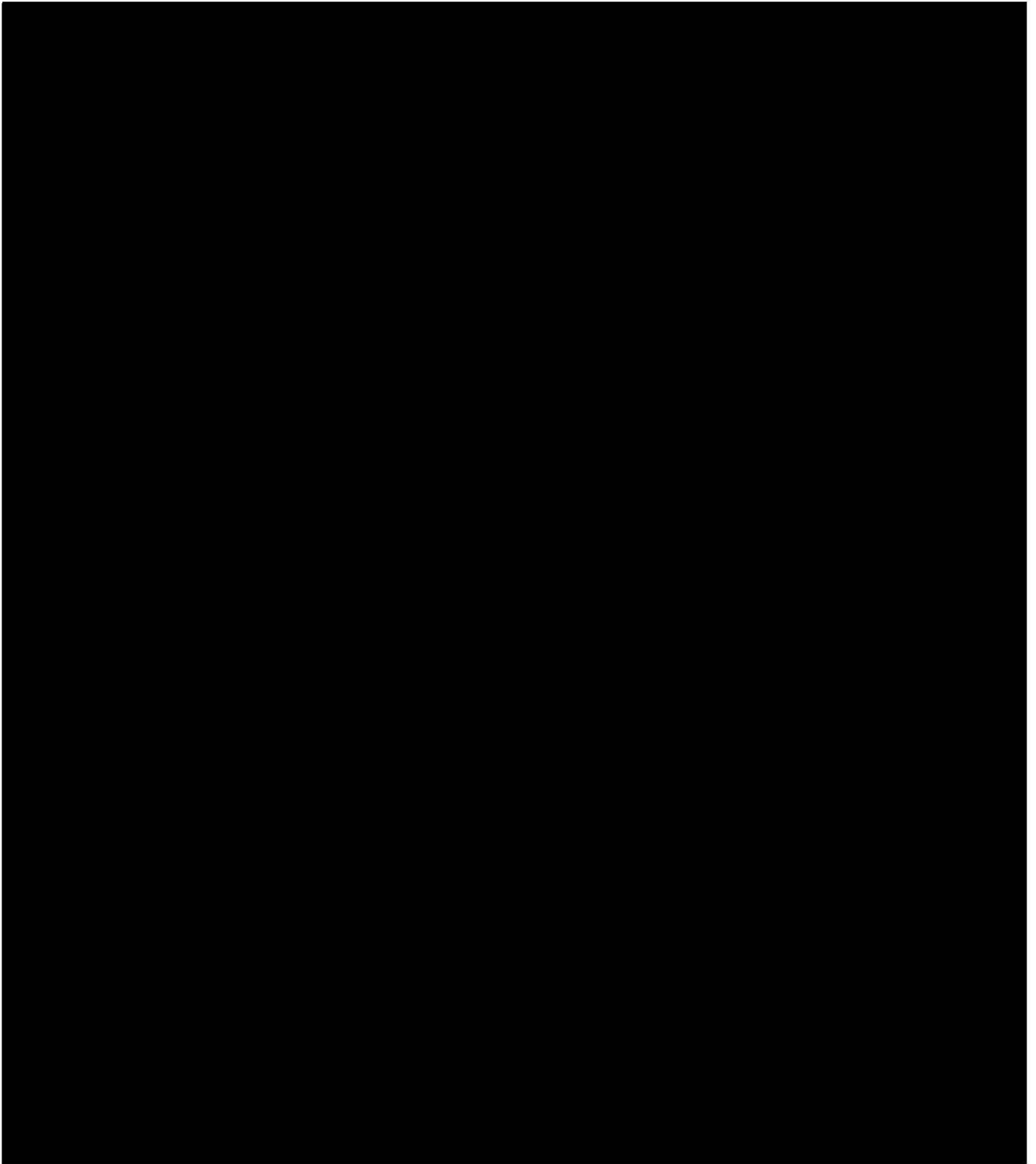
- a. Contract prices for Customer's Standard RDU pieces and Standard RSCF pieces (Tables 1b and 1c below, respectively) shall be based on the Customer's previous trailing four (4) Contract Quarter's volume of all RDU and all RSCF pieces at the end of the Contract Quarter.
- b. The Postal Service will monitor the volume of all of Customer's RDU pieces and RSCF pieces using the Customer's previous trailing four (4) Contract Quarters volume of RDU pieces and RSCF pieces at the end of the Contract Quarter, and, within ten (10) days after the start of each Contract Quarter, Postal Service and Customer will agree on the applicable tier for that Contract Quarter based on Tables 1b and 1c below, respectively. Tier price changes will be effective within fifteen (15) days after the start of each Contract Quarter.
- c. Customer has provided the Postal Service with a good faith estimate of [REDACTED] Alternate DDU, Alternate RDU and Alternate RSCF (collectively, "Alternate pieces") shipped during each Contract Year ("Volume Estimate") which may be revised at any time by mutual agreement by the Parties. Should Customer fail to achieve at least [REDACTED] of the Volume Estimate in any Contract Year, the Postal Service and Customer shall use commercially reasonable efforts to make any adjustments to Tables 1a., 1b., and 1c. or to apply prevailing Standard Contract prices to Customer's future Alternate pieces as mutually agreed to by the Parties.

Table 1a









IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed on its behalf by its duly authorized representative.

UNITED STATES POSTAL SERVICE

By: Cliff Rucker

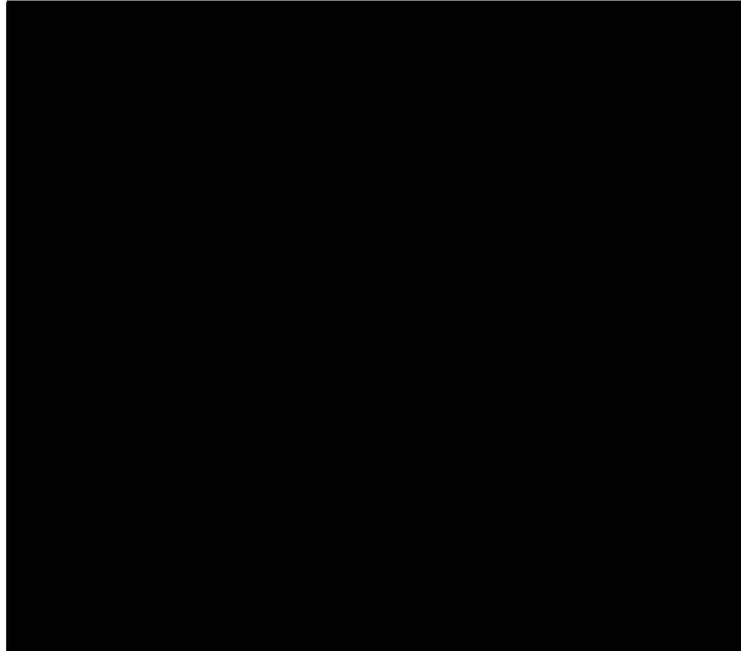
for Printed Name: Cliff Rucker

Title: SVP, Sales and Customer Relations

Date: 2/12/18



ATTACHMENT C



ATTACHMENT B
FINANCIAL CERTIFICATION

**Certification of Prices for Amendment to
Parcel Select/Parcel Return Service Contract 3**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select/Parcel Return Service Contract 3. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven
Phelps**

Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing
and Costing, ou=Pricing,
email=steven.r.phelps@usps.gov,
c=US
Date: 2018.03.09 14:25:41 -05'00'

Steven R. Phelps